

Dollar in billfold ill placed

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Rhode Island is one of very few states that did not finish this 2007 fiscal year with a substantial surplus; and, with the budget we just adopted, things are not looking better for the future. Yes, our Ocean State began the year on July 1 with a balanced budget, but the ballast is illusionary and we may be listing to starboard very soon thereafter.

**GUEST
COLUMN**
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People are constantly asking "Why is this so?" The answer is simple — we (Rhode Island) spend a lot more dollars than we take in. The obvious solutions are collect more or spend less. I guess we could collect more (taxes), but Rhode Islanders are already the seventh highest taxed people in the country, and our local businessmen operate in an environment that is ranked 15th amongst the states in friendliness to their businesses. That leaves only spend less, a notion that is certainly foreign to the legislature.

One of the most egregious things we do is use one-time income to pay for short term ongoing expenses. We have always chosen to spend our tobacco settlement dollars this way. It's like using the extra dollars to pay the heating bill rather than using the dollars to upgrade the efficiency of the heating system. Long after the money is gone, we still have the larger heating bills coming in. And yes, the legislature is not alone in this. The governor's 2008 budget proposals utilized a possible one-time \$80 million insurance settlement (AIG) to balance his proposal. Settlement dollars, which did not and may never, materialize.

Since we did not receive the anticipated \$80 million, it would have been prudent for us to further reduce expenses. Instead we chose to take a larger portion of the tobacco funds and expend them here and now. What is the saying? "Easy come-Easy go" and nothing left to show.

And while a great deal has been said about a sharing of the pain of budget reductions (amongst the elderly, the working poor, children, hospitals, nursing homes, schools, and agencies such as DCYF, MHRH, and Human Services, etc.), there are no proposed cuts to the legislative or judicial budgets. In truth, the legislative and judicial budgets have been substantially increased. In addition, we are even planning to build another new courthouse to the tune of \$113 million.

We have also increased just about every conceivable license fee or service fee imaginable. It is as if to say that any single dollar remaining in the billfold of a Rhode Island taxpayer is a dollar ill placed.

It has been said so often and by so many that "Rhode Island must find a new way of doing business." The truth is we must stop the talking and start the business of doing.